

APPENDIX D-1

INTELLECTUAL PROPERTY PROVISIONS
RESEARCH, DEVELOPMENT, DEMONSTRATION CONTRACT
GENERAL CONTRACTOR

Article

- I. Authorization and Consent
- II. Notice and Assistance Regarding Patent and Copyright Infringement
- III. Reporting of Royalties
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I. AUTHORIZATION AND CONSENT.

The Government has given its authorization and consent for all use and manufacture of any invention described in and covered by a patent of the United States in the performance of this contract or any part hereof or any amendment hereto or any subcontract hereunder (including any lower-tier subcontract).

II. NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT.

The provisions of this clause shall be applicable only if the amount of this contract exceeds \$10,000.

- (a) The Contractor shall report to the Government through the Laboratory, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this contract of which the Contractor has knowledge.
- (b) In the event of any claim or suit against the Government on account of any alleged patent or copyright infringement arising out of the performance of this contract or out of the use of any supplies furnished or work or services performed hereunder, the Contractor shall furnish to the Government when requested by the Government or the Laboratory all evidence and information in possession of the Contractor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except where the Contractor has agreed to indemnify the Government or the Laboratory.
- (c) This clause shall be included in all subcontracts.

III. REPORTING OF ROYALTIES.

If this contract is in an amount which exceeds \$10,000 and if any royalty payments are directly involved in the contract or are reflected in the contract price to the Laboratory, the Contractor agrees to report in writing to the Government through the Laboratory during the performance of this contract and prior to its completion or final settlement the amount of any royalties or other payments paid or to be paid by it directly to others in connection with the names and addresses of licensors to whom such payments are made and either the patent numbers involved or such other information as will permit identification of the patents or other basis on which the royalties are to be paid. The approval of DOE or the Laboratory of any individual payments or royalties shall not stop the Government at any time from contesting the enforceability, validity or scope of, or title to, any patent under which a royalty or payments are made.

IV. PATENT RIGHTS - LONG FORM.

- (a) Definitions

- (1) "Subject Invention" means any invention or discovery of the Contractor conceived or first actually reduced to practice in the course of or under this contract, and includes any art, method, process, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plants, whether patented or unpatented under the Patent Laws of the United States of America or any foreign country.
- (2) "Contract" means any contract, grant, agreement, understanding, or other arrangement, which includes research, development, or demonstration work, and includes any assignment or substitution of parties.
- (3) "States and domestic municipal governments" means the States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, the Trust Territory of the Pacific Islands, and any political subdivision and agencies thereof.
- (4) "Government agency" includes an executive department, independent commission, board, office, agency, administration, authority, Government corporation, or other Government establishment of the Executive Branch of the Government of the United States of America.
- (5) "To the point of practical application" means to manufacture in the case of a composition or product, to practice in the case of a process, or to operate in the case of a machine and under such conditions as to establish that the invention is being worked and that its benefits are reasonably accessible to the public.
- (6) "Patent Counsel" means the DOE Patent Counsel assisting the procuring activity.

(b) Allocation of principal rights.

- (1) Assignment to the Government. The Contractor agrees to assign to the Government the entire right, title, and interest throughout the world in and to each Subject Invention, except to the extent that rights are retained by the Contractor under paragraphs (b) (2) and (c) of this clause.
- (2) Greater rights determination. The Contractor or the employee-inventor with authorization of the Contractor may request greater rights than the nonexclusive license and the foreign patent rights provided in paragraph (c) of this clause on identified inventions in accordance with 41 CFR 9-9.109-6. Such request must be submitted to Patent Counsel (with notification to the Laboratory) at the time of the first disclosure pursuant to paragraph (e) (2) of this clause, or not later than 9 months after conception of first actual reduction to practice, whichever occurs first or such longer period as may

be authorized by Patent Counsel for good cause shown in writing by the Contractor.

(c) Minimum rights to the Contractor.

- (1) Contractor License. The Contractor reserves a revocable, nonexclusive, paid-up license in each patent application filed in any country on a Subject Invention and any resulting patent in which the Government acquires title. The license shall extend to the Contractor's domestic subsidiaries and affiliates, if any, within the corporate structure of which the Contractor is a part and shall include the right to grant sublicenses of the same scope to the extent the Contractor was legally obligated to do so at the time the contract was awarded. The license shall be transferrable only with approval of DOE except when transferred to the successor of that part of the Contractor's business to which the invention pertains.
- (2) Revocation limitations. The Contractor's nonexclusive license retained pursuant to paragraph (c) (1) of this clause and sublicenses granted thereunder may be revoked or modified by DOE, either in whole or in part, only to the extent necessary to achieve expeditious practical application of the Subject invention under the DOE's published licensing regulations (10 CFR 781), and only to the extent an exclusive license is actually granted. This license shall not be revoked in that field of use and/or the geographical areas in which the Contractor, or its sublicensee, has brought the invention to the point of practical application and continues to make the benefits of the invention reasonably accessible to the public, or is expected to do so within a reasonable time.
- (3) Revocation procedures. Before modification or revocation of the license, or sublicense, pursuant to paragraph (c) (2) of this clause, DOE shall furnish the Contractor a written notice of its intention to modify or revoke the license and any sublicense thereunder, and the Contractor shall be allowed 30 days (or such longer period as may be authorized by the Patent Counsel for good cause shown in writing by the Contractor) after such notice to show cause why the license or any sublicense should not be modified or revoked. The Contractor shall have the right to appeal, in accordance with 10 CFR 781, any decision concerning the modification or revocation of his license or any sublicense.
- (4) Foreign patent rights. Upon written request to Patent Counsel in accordance with paragraph (a) (2) (i) of this clause, and subject to DOE security regulations and requirements, there shall be reserved to the Contractor, or the employee-inventor with authorization of the Contractor, the patent rights to a Subject Invention in any foreign country where the Government has elected not to secure such rights provided:

- (i) The recipient of such rights, when specifically requested by DOE and three years after issuance of a foreign patent disclosing said Subject Invention, shall furnish DOE a report setting forth:
 - (A) The commercial use that is being made, or is intended to be made, of said invention, and
 - (B) the steps taken to bring the invention to the point of practical application or to make the invention available for licensing.
- (ii) The Government shall retain at least an irrevocable, nonexclusive, paid-up license to make, use, and sell the invention throughout the world by or on behalf of the Government (including any Government agency) and States and domestic municipal governments, unless the Secretary or his designee determines that it would not be in the public interest to acquire the license for the States and domestic municipal governments.
- (iii) Subject to the rights granted in (c) (1), (2), and (3) of this clause, the Secretary or his designee shall have the right to terminate the foreign patent rights granted in this paragraph (c) (4) in whole or in part unless the recipient of such rights demonstrates to the satisfaction of the Secretary or his designee that effective steps necessary to accomplish substantial utilization of the invention have been taken or within a reasonable time will be taken.
- (iv) Subject to the rights granted in (c) (1), (2), and (3) of this clause, the Secretary or his designee shall have the right, commencing four years after foreign patent rights are accorded under this paragraph (c) (4) to require the granting of a nonexclusive or partially exclusive license to a responsible applicant or applicants, upon terms reasonable under the circumstances, and in appropriate circumstances to terminate said foreign patent rights in whole or in part, following a hearing upon notice thereof to the public, upon a petition by an interested person justifying such hearing:
 - (A) if the Secretary or his designee determines, upon review of such material as he deems relevant, and after the recipient of such rights, or other interested person, has had the opportunity to provide such relevant and material information as the Secretary or his designee may require, that such foreign patent rights have tended substantially to lessen competition or to result in undue market concentration in any section of the United States in any line of commerce to which the technology relates; or

- (B) unless the recipient of such rights demonstrates to the satisfaction of the Secretary or his designee at such hearing that the recipient has taken effective steps, or within a reasonable time thereafter is expected to take such steps, necessary to accomplish substantial utilization of the invention.

(d) Filing of patent applications.

- (1) With respect to each Subject Invention in which the Contractor or the inventor requests foreign patent rights in accordance with paragraph (c) (4) of this clause, a request may also be made for the right to file and prosecute the U.S. application on behalf of the U.S. Government. If such request is granted, the Contractor or Inventor shall file a domestic patent application on the invention within 6 months after the request for foreign patent rights is granted, or such longer period of time as may be approved by Patent Counsel for good cause shown in writing by the requestor. With respect to the invention the requestor shall promptly notify Patent Counsel of any decision not to file an application.
- (2) For each Subject Invention on which a domestic patent application is filed by the Contractor or Inventor, the Contractor or Inventor shall:
 - (i) Within 2 months after the filing or within 2 months after submission of the invention disclosure if the patent application previously has been filed, deliver to Patent Counsel a copy of the application as filed including the filing date and serial number;
 - (ii) Within 6 months after filing the application or within 6 months after submitting the invention disclosure if the application has been filed previously, deliver to Patent Counsel a duly executed and approved assignment to the Government, on a form specified by the Government;
 - (iii) Provide Patent Counsel with the original patent grant promptly after a patent is issued on the application; and
 - (iv) No less than 30 days before the expiration of the response period for any action required by the Patent and Trademark Office, notify Patent Counsel of any decision not to continue prosecution of the application.
- (3) With respect to each Subject Invention in which the Contractor or Inventor has requested foreign patent rights, the Contractor or inventor shall file a patent application on the invention in each foreign country in which such

request is granted in accordance with applicable statutes and regulations and within one of the following periods:

- (i) Eight months from the date of filing a corresponding United States application, or if such an application is not filed, 6 months from the date the request was granted;
 - (ii) Six months from the date a license is granted by the Commissioner of Patents and Trademarks to file the foreign patent application where such filing has been prohibited by security reasons; or
 - (iii) Such longer periods as may be approved by Patent Counsel for good cause shown in writing by the Contractor or inventor.
- (4) Subject to the license specified in paragraph (c) (1), (2), and (3) of this clause, the Contractor or inventor agrees to convey to the Government, upon request, the entire right, title, and interest in any foreign country in which the Contractor or inventor fails to have a patent application filed in accordance with paragraph (d) (3) of this clause, or decides not to continue prosecution or to pay any maintenance fees covering the invention. To avoid forfeiture of the patent application or patent, the Contractor or inventor shall, not less than 60 days before the expiration period for any action required by any Patent Office, notify Patent Counsel of such failure or decision, and deliver to Patent Counsel the executed instruments necessary for the conveyance specified in this paragraph.

(e) Invention identification, disclosures, and reports

- (1) The Contractor shall establish and maintain active and effective procedures to ensure that Subject Inventions are promptly identified and timely disclosed. These procedures shall include the maintenance of laboratory notebooks or equivalent records and any other records that are reasonably necessary to document the conception and/or the first actual reduction to practice of Subject Inventions, and records which show that the procedures for identifying and disclosing the inventions are followed. Upon request, the Contractor shall furnish DOE a description of these procedures so that they may be evaluated to determine their effectiveness.
- (2) The Contractor shall furnish Patent Counsel on a DOE-approved form:
 - (i) A written report containing full and complete technical information concerning each Subject Invention within 6 months after conception or first actual reduction to practice whichever occurs first in the course of or under this contract, but in any event prior to any on sale, public use, or public disclosure of such invention known to the Contractor. The report shall identify the contract and inventor and shall be sufficiently complete in technical detail and appropriately

illustrated by sketch or diagram to convey to one skilled in the art to which the invention pertains a clear understanding of the nature, purpose, operation, and to the extent known, the physical, chemical, biological, or electrical characteristics of the invention. The report should also include any request for foreign patent rights under paragraph (c) (4) of this clause and any request to file a domestic patent application under (d) (1) of this clause. However, such requests shall be made within the period set forth in paragraph (b) (2) of this clause. When an invention is reported under this paragraph (e) (2) (i), it shall be presumed to have been made in the manner specified in Section 9 (a) (1) and (2) of 42 USC 5908 unless the Contractor contends it was not so made in accordance with paragraph (g) (2) (ii) of this clause.

- (ii) Upon request, but not more than annually, interim reports on a DOE approved form listing Subject Inventions and subcontracts awarded containing a Patent Rights Clause for that period and certifying that:
 - (A) The Contractor's procedures for identifying and disclosing Subject Inventions as required by this paragraph (a) have been followed throughout the reporting period;
 - (B) All Subject Inventions have been disclosed or that there are no such inventions;
 - (C) All subcontracts containing a Patent Rights Clause have been reported or that no such subcontracts have been awarded; and
- (iii) A final report on DOE-approved forms within 3 months after completion of the contract work listing all Subject Inventions and all subcontracts awarded containing a Patent Rights Clause and certifying that:
 - (A) All Subject Inventions have been disclosed, or that there were no such inventions; and
 - (B) All subcontracts containing a Patent Rights Clause have been reported or that no such subcontracts have been awarded.
- (3) The Contractor shall obtain patent agreements to effectuate the provisions of this clause from all persons in its employ who perform any part of the work under this contract except nontechnical personnel, such as clerical employees and manual laborers.

- (4) The Contractor agrees that the Government may duplicate and disclose Subject Invention disclosures and all other reports and papers furnished or required to be furnished pursuant to this clause. If the Contractor is to file a foreign patent application on a Subject Invention, the Government agrees, upon written request, to use its best efforts to withhold publication of such invention disclosures until the expiration of the time period specified in paragraph (d) (1) of this clause, but in no event shall the Government or its employees be liable for any publication thereof.

(f) Publication

It is recognized that during the course of the work under this contract, the Contractor or its employees may from time to time desire to release or publish information regarding scientific or technical developments conceived or first actually reduced to practice in the course of or under this contract. In order that public disclosure of such information will not adversely affect the patent interests of DOE or the Contractor, patent approval for release and publication shall be secured from the Patent Counsel prior to any such release or publication.

(g) Forfeiture of rights in unreported Subject Inventions

- (1) The Contractor shall forfeit to the Government, at the request of the Secretary or his designee, all rights in any Subject Invention which the Contractor fails to report to Patent Counsel within 6 months after the time the Contractor:
- (i) Files or causes to be filed a United States or foreign patent application thereon; or
 - (ii) Submits the final report required by paragraph (e) (2) (iii) of this clause, whichever is later.
- (2) However, the Contractor shall not forfeit rights in a Subject Invention, if, within the time specified in (1) (i) or (1) (ii) of this paragraph (g), the Contractor:
- (i) Prepared a written decision based upon a review of the record that the invention was neither conceived nor first actually reduced to practice in the course of or under the contract and delivers the same to Patent Counsel (with notification to the Laboratory).
 - (ii) Contending that the invention is not a Subject Invention, the Contractor nevertheless discloses the invention and all facts pertinent to this contention to Patent Counsel (with notification to the Laboratory).

(iii) Establishes that the failure to disclose did not result from the Contractor's fault or negligence.

(3) Pending written assignment of the patent applications and patents on a Subject Invention determined by the Secretary or his designee to be forfeited (such determination to be a final decision under the Disputes Clause, if any, of this contract), the Contractor shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provisions of this paragraph (g) shall be in addition to and shall not supersede other rights and remedies which the Government may have with respect to Subject Inventions.

(h) Examination of records relating to inventions

(1) DOE or its authorized representative, until the expiration of 3 years after final payment under this contract shall have the right to examine any books (including laboratory notebooks), records, documents, and other supporting data of the Contractor which DOE or its authorized representative reasonably deem pertinent to the discovery or identification of Subject Inventions or to determine compliance with the requirements of this clause.

(2) DOE or its authorized representative shall have the right to examine all books (including laboratory notebooks), records and documents of the Contractor relating to the conception or first actual reduction to practice of inventions in the same field of technology as the work under this contract to determine whether any such inventions are Subject Inventions, if the Contractor refuses or fails to:

(i) Establish the procedures of paragraph (e) (1) of this clause; or

(ii) Maintain and follow such procedures; or

(iii) Correct or eliminate any material deficiency in the procedures within 30 days after DOE or its authorized representative notifies the Contractor of such a deficiency.

(i) Withholding of payment (not applicable to subcontracts)

(1) Any time before final payment of the amount of this contract, DOE may, if it deems such action warranted, direct the Laboratory to withhold payment until a reserve not exceeding \$50,000 or 5 percent of the amount of this contract, whichever is less, shall have been set aside if in DOE's opinion the Contractor fails to:

- (i) Establish, maintain and follow effective procedures for identifying and disclosing Subject Inventions pursuant to paragraph (e) (1) of this clause; or
 - (ii) Disclose any Subject Invention pursuant to paragraph (e) (2) (i) of this clause; or
 - (iii) Deliver the interim reports pursuant to paragraph (e) (2) (iii) of this clause; or
 - (iv) Provide the information regarding subcontract pursuant to paragraph (j) (5) of this clause; or
 - (v) Convey to the Government in a DOE-approved form the title and/or rights of the Government in each Subject Invention as required by this clause.
- (2) The reserve or balance shall be withheld until DOE has determined that the Contractor has rectified whatever deficiencies exist and has delivered all reports, disclosures, and other information required by this clause.
 - (3) Final payment under this contract shall not be made by the Laboratory before the Contractor delivers to the Patent Counsel all disclosures of Subject Inventions and other information required by (e) (2) (i) of this clause, the final report required by (e) (2) (iii) of this clause, and the Patent Counsel has issued a patent clearance certification to the Laboratory.
 - (4) DOE may, in its discretion, decrease or increase the sums withheld up to the maximum authorized above. If the Contractor is a non-profit organization, the maximum amount that may be withheld under this paragraph shall not exceed \$50,000 or one percent of the amount of this contract, whichever is less. No amount shall be withheld under other provisions of the contract. The withholding of any amount or subsequent payment thereof shall not be construed as a waiver of any rights accruing to the Government under this contract.

(j) Subcontracts

- (1) For the purpose of this paragraph, the term "Contractor" means the party awarding a subcontract and the term "Subcontractor" means the party being awarded a subcontract, regardless of tier.
- (2) The Contractor will include the Patent Rights clause of 48 CFR 952.227-7 ["Patent Rights - Small Business Firms or Non-profit Organizations"] suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental or research work to be performed by

a small business firm or a domestic non-profit organization. In all subcontracts, regardless of tier, for experimental, developmental, demonstration, or research work, the Contractor will include the Patent Rights clause of 41 CFR '9-9.107-5(a) or 41 CFR '9-9.107-6 as appropriate, modified to identify the parties. In the event of refusal by a Subcontractor to accept this clause or if, in the option of the Contractor, this clause is inconsistent with DOE's patent policies, the Contractor:

- (i) Shall promptly submit written notice to DOE through the Laboratory setting forth reasons for the Subcontractor's refusal and other pertinent information which may expedite disposition of the matter; and
 - (ii) Shall not proceed with the subcontract without the written authorization of DOE.
- (3) Except as may be otherwise provided in this clause, the Contractor shall not, in any subcontract or by using a subcontract as consideration therefor, acquire any rights in its Subcontractor's Subject Inventions for the Contractor's own use (as distinguished from such rights as may be required solely to fulfill the Contractor's contract obligations to the Government in the performance of this contract).
- (4) All invention disclosures, reports, instruments and other information required to be furnished by the Subcontractor to DOE, under the provisions of a Patent Rights Clause in any subcontract hereunder may, in the discretion of DOE, be furnished to the Contractor for transmission to DOE.
- (5) The Contractor shall promptly notify DOE through the Laboratory in writing upon the award of any subcontract containing a Patent Rights Clause by identifying the Subcontractor, the work to be performed under the subcontract, and the dates of award, and estimated completion. Upon the request of DOE or the Laboratory, the Contractor shall furnish a copy of the subcontract.
- (6) The Contractor shall identify all Subject Inventions of the Subcontractor of which it acquires knowledge in the performance of this contract and shall notify Patent Counsel promptly upon the identification of the inventions.
- (7) It is understood that the Government is a third party beneficiary of any subcontract clause granting rights to the Government in Subject Inventions, and the Contractor hereby assigns to the Government all rights that the Contractor would have to enforce the Subcontractor's obligations for the benefit of the Government with respect to Subject Inventions. The Contractor shall not be obligated to enforce the agreement of any

Subcontractor hereunder relating to the obligations of the Subcontractor to the Government regarding Subject Inventions.

(k) Background Patents

- (1) "Background Patent" means a domestic patent covering an invention or discovery which is not a Subject Invention and which is owned or controlled by the Contractor at any time through the completion of this contract:
 - (i) which the Contractor, but not the Government, has the right to license to others without obligation to pay Royalties thereon and
 - (ii) infringement of which cannot reasonably be avoided upon the practice of any specific process, method, machine, manufacture or composition of matter (including relatively minor modifications thereof) which is a subject of the research, development, or demonstration work performed under this contract.
- (2) The Contractor agrees to and does hereby grant to the Government a royalty-free, nonexclusive, license under any Background Patent for practicing a subject of this contract by or for the Government in research, development, and demonstration work only.
- (3) The Contractor also agrees that upon written application by DOE, it will grant to responsible parties for purposes of practicing a subject of this contract, nonexclusive licenses under any Background Patent on terms that are reasonable under the circumstances. If, however, the Contractor believes that exclusive or partially exclusive rights are necessary to achieve expeditious commercial development or utilization, then a request may be made to DOE for DOE approval of such licensing by the Contractor.
- (4) Notwithstanding the foregoing paragraph (k) (3), the Contractor shall not be obligated to license any Background Patent if the Contractor demonstrates to the satisfaction of the Secretary or his designee that:
 - (i) a competitive alternative to the subject matter covered by said Background Patent is commercially available or readily introducible from one or more other sources; or
 - (ii) the Contractor or its lessees are supplying the subject matter covered by said Background Patent in sufficient quantity and at reasonable prices to satisfy market needs, or have taken effective steps or within a reasonable time are expected to take effective steps to sole supply the subject matter.

(l) Atomic Energy

- (1) No claim for pecuniary award or compensation under the provisions of the Atomic Energy Act of 1954, as amended, shall be asserted by the Contractor or its employees with respect to any invention or discovery made or conceived in the course of or under this contract.
- (2) Except as otherwise authorized in writing by DOE, the Contractor shall obtain patent agreements to effectuate the provisions of paragraph (l) (1) of this clause from all persons who perform any part of the work under this contract except nontechnical personnel, such as clerical employees and manual laborers.

(m) Limitation of Rights

Nothing contained in this patent rights clause shall be deemed to give the Government any rights with respect to any invention other than a Subject Invention except as set forth in the Patent Rights clause of this contract with respect to Background Patents and the Facilities License.

V. RIGHTS IN DATA - GENERAL (JUNE 1987)

(a) Definitions.

"Computer software," as used in this clause, means computer programs, computer data bases, and documentation thereof.

"Data," as used in this clause, means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.

"Form, fit, and function data," as used in this clause, means data relating to items, components, or processes that are sufficient to enable physical and functional interchangeability, as well as data identifying source, size, configuration, mating, and attachment characteristics, functional characteristics, and performance requirements; except that for computer software it means data identifying source, functional characteristics, and performance requirements but specifically excludes the source code, algorithm, process, formula, and flow charts of the software.

"Limited rights data," as used in this clause, means data (other than computer software) developed at private expense that embody trade secrets or are commercial or financial and confidential or privileged.

"Technical data," as used in this clause, means data (other than computer software) which are of a scientific or technical nature.

"Restricted computer software," as used in this clause, means computer software developed at private expense and that is a trade secret; is commercial or financial and is confidential or privileged; or is published copyrighted computer software; including minor modifications of such computer software.

"Unlimited rights," as used in this clause, means the right of the Government and the Laboratory to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

"Limited rights," as used in this clause, means the rights of the Government and the Laboratory in limited rights data as set forth in the Limited Rights Notice of subparagraph (g)(2) if included in this clause.

"Restricted rights," as used in this clause, means the rights of the Government and the Laboratory in restricted computer software, as set forth in a Restricted Rights Notice of subparagraph (g)(3) if included in this clause, or as otherwise may be provided in a collateral agreement incorporated in and made part of this contract, including minor modifications of such computer software.

(b) Allocations of rights.

(1) Except as provided in paragraph (c) below regarding copyright, the Government and the Laboratory shall have unlimited rights in-

- (i) Data first produced in the performance of this contract;
- (ii) Form, fit, and function data delivered under this contract;
- (iii) Data delivered under this contract (except for restricted computer software) that constitute manuals or instructional and training material for installation, operation, or routine maintenance and repair items, components, or processes delivered or furnished for use under this contract; and
- (iv) All other data delivered under this contract unless provided otherwise for limited rights data or restricted computer software in accordance with paragraph (g) below.

(2) The Contractor shall have the right to-

- (i) Use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Contractor in the

performance of the contract, unless provided otherwise in paragraph (d) below;

- (ii) Protect from unauthorized disclosure and use those data which are limited rights data or restricted computer software to the extent provided in paragraph (g) below;
- (iii) Substantiate use of, add or correct limited rights, restricted rights, or copyright notices and to take other appropriate action, in accordance with paragraphs (e) and (f) below; and
- (iv) Establish claim to copyright subsisting In data first produced In the performance of this contract to the extent provided in subparagraph (c)(1) below.

(c) Copyright.

- (1) Data first produced in the performance of this contract. Unless provided otherwise in subparagraph (d) below, the Contractor may establish, without prior approval of the DOE, claim to copyright subsisting in scientific and technical articles based on or containing data first produced in the performance of this contract and published in academic, technical or professional journals, symposia proceedings or similar works. The prior, express written permission of the DOE (with notice to the Laboratory) is required to establish claim to copyright subsisting in all other data first produced in the performance of this contract. When claim to copyright is made, the Contractor shall affix the applicable copyright notices of 17 USC 401 or 402 and acknowledgment of Government sponsorship (including contract number) to the data when such data are delivered to the Laboratory and the Government, as well as when the data are published or deposited for registration as a published work in the U.S. Copyright Office. For data other than computer software the Contractor grants to the Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable worldwide license in such copyrighted data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government. For computer software, the Contractor grants to the Government and others acting on its behalf, a paid-up nonexclusive, irrevocable worldwide license in such copyrighted computer software to reproduce, prepare derivative works, and perform publicly and display publicly by or on behalf of the Government.
- (2) Data not first produced in the performance of this contract. The Contractor shall not, without prior written permission of the DOE via the Laboratory, incorporate in data delivered under this contract any data not first produced in the performance of this contract and which contains the

copyright notice of 17 USC 401 and 402, unless the Contractor identifies such data and grants to the Government, or acquires on its behalf, a license of the same scope as set forth in subparagraph (1) above; provided, however, that if such data are computer software the Government shall acquire a copyright license as set forth in subparagraph (g)(3) below if included in this contract or as otherwise may be provided in a collateral agreement incorporated in or made part of this contract.

- (3) Removal of copyright notices. The Laboratory and the Government agree not to remove any copyright notices placed on data pursuant to this paragraph (c), and to include such notices on all reproductions of the data.

(d) Release, publication and use of data.

- (1) The Contractor shall have the right to use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Contractor in the performance of this contract, except to the extent such data may be subject to the federal export control or national security laws or regulations, or unless otherwise provided below in this paragraph or expressly set forth in this contract.
- (2) The Contractor agrees that to the extent it receives or is given access to data necessary for the performance of this contract which contain restrictive markings, the Contractor shall treat the data in accordance with such markings unless otherwise specifically authorized in writing by the DOE (with notice to the Laboratory).
- (3) The Contractor agrees not to establish claim to copyright in computer software first produced in the performance of this contract without prior written permission of the DOE (with notice to the Laboratory). When such permission is granted, the DOE shall specify appropriate terms to assure dissemination of the software. The Contractor shall promptly deliver to the DOE or to the Patent Counsel designated by the DOE a duly executed and approved instrument fully confirmatory of all rights to which the Government is entitled, and other terms pertaining to the computer software to which claim to copyright is made.

(e) Unauthorized marking of data.

- (1) Notwithstanding any other provisions of this contract concerning inspection or acceptance, if any data delivered under this contract are marked with the notices specified in subparagraphs (g)(2) or (g)(3) below and use of such is not authorized by this clause, or if such data bears any other restrictive or limiting markings not authorized by this contract, the DOE or the Laboratory, with the approval of DOE, may at any time either return the data to the Contractor, or cancel or ignore the markings.

However, the following procedures shall apply prior to canceling or ignoring the markings.

- (i) The DOE or the Laboratory, with the approval of DOE, shall make written inquiry to the Contractor affording the Contractor 30 days from receipt of the inquiry to provide written justification to substantiate the propriety of the markings;
 - (ii) If the Contractor fails to respond or fails to provide written justification to substantiate the propriety of the markings within the 30-day period (or a longer time not exceeding 90 days approved in writing by the DOE for good cause shown), the Government shall have the right, and may direct the Laboratory, to cancel or to ignore the markings at any time after said period and the data will no longer be made subject to any disclosure prohibitions.
 - (iii) If the Contractor provides written justification to substantiate the propriety of the markings within the period set in subdivision (i) above, the Government shall consider such written justification and determine, whether or not the markings are to be canceled or ignored. If the Government determines that the markings are authorized, the Contractor shall be so notified in writing. If DOE determines that the markings are not authorized, the DOE shall furnish the Contractor a written determination, which determination shall become the final agency decision regarding the appropriateness of the markings unless the Contractor files suit in a court of competent jurisdiction within 90 days of receipt of the DOE's decision. The Government and the Laboratory shall continue to abide by the markings under this subdivision (iii) until final resolution of the matter either by the DOE's determination becoming final (in which instance the Government or the Laboratory with DOE approval shall thereafter have the right to cancel or ignore the markings at any time and the data will no longer be made subject to any disclosure prohibitions), or by final disposition of the matter by court decision if suit is filed.
- (2) The time limits in the procedures set forth in subparagraph (1) above may be modified in accordance with agency regulations implementing the freedom of Information Act (5 USC 552) if necessary to respond to a request thereunder.
 - (3) This paragraph (e) does not apply if this contract is for a major system or for support of a major system by a civilian agency other than NASA and the U.S. Coast Guard subject to the provisions of Title III of the federal Property and Administrative Services Act of 1949.

- (4) Except to the extent the Government's action occurs as the result of final disposition of the matter by a court of competent jurisdiction, the Contractor is not precluded by this paragraph (e) from bringing a claim under the Contract Disputes Act, including pursuant to the Disputes clause of this contract, if any, as applicable, that may arise as the result of the Government removing or ignoring authorized markings on data delivered under this contract.
- (f) Omitted or incorrect markings.
- (1) Data delivered to the Laboratory or the Government without either the limited rights or restricted rights notice as authorized by paragraph (g) below, or the copyright notice required by paragraph (c) above, shall be deemed to have been furnished with unlimited rights, and the Government and the Laboratory assume no liability for disclosure, use, or reproduction of such data. However, to the extent the delivered data has not been further disclosed without restriction outside the Government, the Contractor may request, within 6 months (or a longer time approved by the Government for good cause shown) after delivery of such data, permission to have notices placed on qualifying data at the Contractor's expense, and the Government or the Laboratory with DOE approval may agree to do so if the Contractor-
- (i) Identifies the data to which the omitted notice is to be applied;
- (ii) Demonstrates that the omission of the notice was inadvertent;
- (iii) Establishes that the use of the proposed notice is authorized; and
- (iv) Acknowledges that the Government and the Laboratory have no liability with respect to the disclosure, use, or reproduction of any such data made prior to the addition of the notice or resulting from the omission of the notice.
- (2) The Government (with notice to the Laboratory) may also (i) permit correction at the Contractor's expense of incorrect notices if the Contractor identifies the data on which correction of the notice is to be made, and demonstrates that the correct notice is authorized, or (ii) correct any incorrect notices.
- (g) Protection of limited rights data and restricted computer software.
- (1) When data other than that listed in subparagraphs (b)(1)(i), (ii), and (iii) above are specified to be delivered under this contract and qualify as either limited rights data or restricted computer software, if the Contractor desires to continue protection of such data, the Contractor shall withhold

such data and not furnish them to the Laboratory or the Government under this Contract. As a condition to this withholding, the Contractor shall identify the data being withheld and furnish form, fit, and function data in lieu thereof. Limited rights data that are formatted as a computer data base for delivery to the Laboratory or the Government are to be treated as limited rights data and not restricted computer software.

(2) (Reserved.)

(3) (Reserved.)

- (h) Subcontracting. The Contractor has the responsibility to obtain from its Subcontractors all data and rights therein necessary to fulfill the Contractor's obligations to the Government and the Laboratory under this contract. If a Subcontractor refuses to accept terms affording the Government such rights, the Contractor shall promptly bring such refusal to the attention of the Government via the Laboratory and not proceed with subcontract award without further authorization from DOE via the Laboratory.
- (i) Relationship to patents. Nothing contained in this clause shall imply a license to the Government or the Laboratory under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government or the Laboratory.
- (j) The Contractor agrees, except as may be otherwise specified in this contract for specific data items listed as not subject to this paragraph that the DOE and the Laboratory or an authorized representative may, up to three years after acceptance of all items to be delivered under this contract, inspect at the Contractor's facility any data withheld pursuant to paragraph (g)(1) above, for purposes of verifying the Contractor's assertion pertaining to the rights or restricted rights status of the data or for evaluating work performance. Where the Contractor whose data are to be inspected demonstrates to the DOE or the Laboratory that there would be a possible conflict of interest if the inspection were made by a particular representative, the DOE or the Laboratory shall designate an alternate inspector.

VI. ADDITIONAL DATA REQUIREMENTS

Note: This clause does not apply to this contract if the contract is for the conduct of basic or applied research, as set out elsewhere in this contract, to be performed solely by a college or university, and the estimated cost is not in excess of \$500,000.

- (a) In addition to the data (as defined in the clause at 52.227-14, Rights in Data-General clause or other equivalent included in this contract) specified elsewhere in this contract to be delivered, the Laboratory or the DOE may, at any time during contract performance or within a period of 3 years after acceptance of all items to

be delivered under this contract, order any data first produced or specifically used in the performance of this contract.

- (b) The Rights in Data-General clause or other equivalent included in this contract is applicable to all data ordered under this Additional Data Requirements clause. Nothing contained in this clause shall require the Contractor to deliver any data the withholding of which is authorized by the Rights in Data-General or other equivalent clause of this contract, or data which are specifically identified in this contract as not subject to this clause.
- (c) When data are to be delivered under this clause, the Contractor will be compensated for converting the data into the prescribed form, for reproduction, and for delivery.
- (d) The DOE via the Laboratory may release the Contractor from the requirements of this clause for specifically identified data items at any time during the 3-year period set forth in (a) of this clause.

PATENT RIGHTS CLAUSE

952.227-71 Patent Rights - Small Business firms or Nonprofit Organizations (Other Than M&Os) (APR 1987)

- (a) Definitions.
 - (1) "Invention" means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code (USC) or any novel variety of plant which is or may be protected under the Plant Variety Protection Act (7 USC 2321 et seq.).
 - (2) "Subject Invention" means any invention of the Contractor conceived or first actually reduced to practice in the performance of work under this contract, provided that in the case of a variety of plant the date of determination (as defined in section 44(d) of the Plant Variety Protection Act, 7 USC 2401(d)) must also occur during the period of contract performance.
 - (3) "Practical Application" means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.
 - (4) "Made" when used in relation to any invention means the conception or first actual reduction to practice of such invention.

- (5) "Small Business Firm" means a small business concern as defined at Section 2 of Pub. L. 85-536 (15 USC 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standard for small business concerns involved in Government procurement and subcontracting, at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively, will be used.
 - (6) "Nonprofit Organization" means a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 USC 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 USC 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.
 - (7) "Patent Counsel" means the Department of Energy (DOE) Patent Counsel assisting the DOE contracting activity.
- (b) Allocation of principal rights.
- (1) The Contractor may retain the entire right, title and interest throughout the world to each Subject Invention subject to the provisions of this clause and 35 USC 203. With respect to any Subject Invention in which the Contractor retains title, the Federal Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the Subject Invention throughout the world.
 - (2) (Reserved.)
- (c) Invention disclosure, election of title and filing of patent application by Contractor.
- (1) The Contractor will disclose each Subject Invention to the Patent Counsel within two months after the inventor discloses it in writing to Contractor personnel responsible for patent matters. The disclosure to the Patent Counsel shall be in the form of a written report and shall identify the contract under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to the Patent Counsel, the Contractor will promptly notify the Patent Counsel of the acceptance of any manuscript describing the

invention for publication or of any on sale or public use planned by the Contractor.

- (2) The Contractor will elect in writing whether or not to retain title to any such invention by notifying the Patent Counsel within two years of disclosure to the Patent Counsel. However, in any case where publication, on sale or public use has initiated the one year statutory period wherein valid patent protection can still be obtained In the United States, the period for election of title may be shortened by Patent Counsel to a date that is no more than sixty days prior to the end of the statutory period.
 - (3) The Contractor will file its initial patent application on a Subject Invention to which it elects to retain title within one year after election of title or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. The Contractor will file patent applications in additional countries or international patent offices within either ten months of the corresponding initial patent application or six months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications where such filing has been prohibited by a Secrecy Order.
 - (4) Requests for extension of the time for disclosure to the Patent Counsel, election, and filing, under subparagraphs (1), (2), and (3) may, at the discretion of the Patent Counsel be granted.
- (d) Conditions when the Government may obtain title.

The Contractor will convey to the DOE, upon written request, title to any Subject Invention:

- (1) If the Contractor fails to disclose or elect title to the Subject Invention within the times specified in (c) above, or elects not to retain title; provided that the DOE may only request title within 60 days after learning of the failure of the Contractor to disclose or elect within the specified times;
- (2) In those countries in which the Contractor fails to file patent applications within the times specified in (c) above; provided, however, that if the Contractor has filed a patent application in a country after the time specified in (c) above prior to its receipt of the written request of the Patent Counsel, the Contractor shall continue to retain title in that country; or
- (3) In any country in which the Contractor decides not to continue the prosecution of any application for, to pay the maintenance fees on, or

defend in a reexamination or opposition proceeding on, a patent on a Subject Invention.

- (e) Minimum rights to Contractor and protection of the Contractor right to file.
 - (1) The Contractor will retain a nonexclusive, royalty-free license throughout the world in each Subject Invention to which the Government obtains title except if the Contractor fails to disclose the Subject Invention within the times specified in (c) above. The Contractor's license extends to its domestic subsidiaries and affiliates, if any, within the corporate structure of which the Contractor is a part and includes the right to grant sublicenses of the same scope to the extent the Contractor was legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of DOE except when transferred to the successor of the part of the Contractor's business to which the invention pertains.
 - (2) The Contractor's domestic license may be revoked or modified by DOE to the extent necessary to achieve expeditious practical application of the Subject Invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions at 37 CFR 404 and 10 CFR 781. This license will not be revoked in that field of use or the geographical areas in which the Contractor has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of DOE to the extent the Contractor, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.
 - (3) Before revocation or modification of the license, DOE will furnish the Contractor a written notice of its intention to revoke or modify the license, and the Contractor will be allowed thirty days (or such other time as may be authorized by DOE for good cause shown by the Contractor) after the notice to show cause why the license should not be revoked or modified. The Contractor has the right to appeal, in accordance with 37 CFR 404 and 10 CFR Part 781, any decision concerning the revocation or modification of its license.
- (f) Contractor action to protect the Government's interest.
 - (1) The Contractor agrees to execute or to have executed and promptly deliver to the Patent Counsel all instruments necessary to:
 - (i) Establish or confirm the rights the Government had throughout the world in those Subject Inventions to which the Contractor elects to retain title, and

- (ii) Convey title to DOE when requested under (d) above and to enable the Government to obtain patent protection throughout the world in that Subject Invention.
- (2) The Contractor agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the Contractor each Subject Invention made under this contract in order that the Contractor can comply with the disclosure provisions of (c) above and to execute all papers necessary to file patent applications on Subject Inventions and to establish the Government's rights in the Subject Inventions. The disclosure format should require, as a minimum, the information required by (c)(1) above. The Contractor shall instruct such employees through the employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to United States or foreign statutory bars.
- (3) The Contractor will notify the Patent Counsel of any decision not to continue prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than thirty days before the expiration of the response period required by the relevant patent office.
- (4) The Contractor agrees to include, within the specification of any United States patent applications and any patent issuing thereon covering a Subject Invention, the following statement "This invention was made with Government support under (identify the contract) awarded by the Department of Energy. The Government has certain rights in this invention."
- (5) The Contractor agrees to:
 - (i) Upon request, provide a report prior to the close-out of the contract listing all Subject Inventions or stating that there were none;
 - (ii) Provide, upon request, a copy of the patent application, filing date, serial number and title, patent number and issue date for any Subject Invention in any country in which the Contractor has applied for a patent; and
 - (iii) Provide upon request, but not more than annually, listings of all Subject Inventions which were disclosed to DOE during the applicable reporting period.

(g) Subcontracts.

- (1) The Contractor will include this clause, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental or research work to be performed by a small business firm or a domestic nonprofit organization. The Subcontractor will retain all rights provided for the Contractor in this clause, and the Contractor will not, as part of the consideration for awarding the subcontract, obtain rights in the Subcontractor's Subject Inventions.
- (2) The Contractor will include in all other subcontracts, regardless of tier, for experimental, developmental, demonstration or research work the patent rights clause of 41 CFR 9-9.107-5(a) or 9-9.107-6 as appropriate, modified to identify the parties.
- (3) In the case of subcontracts at any tier, when the prime award with DOE was a contract (but not a grant or cooperative agreement) DOE, the Subcontractor, and the Contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the Subcontractor and DOE with respect to those matters covered by this clause; provided however that nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (j) of this clause.

(h) Reporting on utilization of Subject Inventions.

The Contractor agrees to submit on request periodic reports no more frequently than annually on the utilization of a Subject Invention or on efforts at obtaining such utilization that are being made by the Contractor or its licensees or assignees.

Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the Contractor, and such other data and information as DOE may reasonably specify. The Contractor also agrees to provide additional reports as may be requested by DOE in connection with any march-in proceeding undertaken by DOE in accordance with paragraph (j) of this clause. As required by 35 USC 202(c)(5), DOE agrees it will not disclose such information to persons outside the Government without permission of the Contractor.

(i) Preference for United States industry.

Notwithstanding any other provision of this clause, the Contractor agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any Subject Inventions in the United States unless such person agrees that any products embodying the Subject Invention or produced through the use of the Subject Invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by DOE upon a showing by the Contractor or its assignee that reasonable

but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(j) March-in-rights.

The Contractor agrees that with respect to any Subject Invention in which it has acquired title, DOE has the right in accordance with the procedures in 37 CFR 401.6 and any supplemental regulations of DOE to require the Contractor, an assignee or exclusive licensee of a Subject Invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the Contractor, assignee, or exclusive licensee refuses such a request, DOE has the right to grant such a license itself if DOE determines that:

- (1) Such action is necessary because the Contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve- practical application of the Subject Invention in such field of use;
- (2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the Contractor, assignee, or their licensees;
- (3) Such action is necessary to meet requirements for public use specified by federal regulations and such requirements are not reasonably satisfied by the Contractor, assignee, or licensees; or
- (4) Such action is necessary because the agreement required by paragraph (i) of this clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any Subject Invention in the United States is in breach of such agreement.

(k) Special provisions for contract with nonprofit organizations.

If the Contractor is a nonprofit organization it agrees that:

- (1) Rights to a Subject Invention in the United States may not be assigned without the approval of DOE, except where such assignment is made to an organization which has as one of its primary functions the management of inventions, provided that such assignee will be subject to the same provisions as the Contractor;
- (2) The Contractor will share royalties collected on a Subject Invention with the inventor, including federal employee coinventors (when DOE deems it appropriate) when the Subject Invention is assigned in accordance with 35 USC 202(e) and 37 CFR 401.10;

- (3) The balance of any royalties or income earned by the Contractor with respect to Subject Inventions, after payment of expenses (including payments to inventors) incidental to the administration of Subject Inventions, will be utilized for the support of scientific research or education; and
 - (4) It will make efforts that are reasonable under the circumstances to attract licensees of Subject Inventions that are small business firms and that it will give a preference to a small business firm when licensing a Subject Invention if the Contractor determines that the small business firm has a plan or proposal for marketing the invention which, if executed, is equally as likely to bring the invention to practical application as any plans or proposals from applicants that are not small business firms; provided that the Contractor is also satisfied that the small business firm has the capability and resources to carry out its plan or proposal. The decision whether to give a preference in any specific case will be at the discretion of the Contractor. However, the Contractor agrees that the Secretary of Commerce may review the Contractor's licensing program and decisions regarding small business applicants, and the Contractor will negotiate changes to its licensing policies, procedures, or practices with the Secretary of Commerce when the Secretary of Commerce's review discloses that the Contractor could take reasonable steps to implement more effectively the requirements of this paragraph (k)(4).
- (l) Communications. The DOE central point of contact for communications or matters relating to this clause is the Patent Counsel.